THE HONORABLE MARC L. BARRECA
Hearing Date: January 20, 2012
Hearing Time: 9:30 a.m.
Response Date: January 13, 2012
Hearing Location: Seattle
Chapter 7

THE UNITED STATES BANKRUPTCY COURT FOR THE
WESTERN DISTRICT OF WASHINGTON AT SEATTLE

In re ADAM GROSSMAN, Debtor.	Case No. 10-19817 REPLY TO TRUSTEE RESPONSE TO MOTION FOR ABANDONMENT

COMES NOW the Debtor, Adam Grossman, by and through his attorney of record Jeffrey B. Wells, and in reply to Trustee's response to Debtor's motion for abandonment of Terrington Davies LLC states as follows.

Obviously until and unless the Keywest Financial LLC Chapter 7 bankruptcy is discharged or dismissed, the motion for abandonment is stayed as set forth in the Trustee's response. A review of that bankruptcy under cause no. 11-86137 in the Northern District of Georgia indicates that no schedules have been filed. Keywest Financial LLC has appeared pro se even though it is an LLC. Based on the condition of the filing to date, there appears a good possibility that the case may be dismissed in the very near future. Debtor respectfully requests that the present motion be continued so that if the case is dismissed the present motion can go forward.

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The Trustee has already lodged an ex parte order of default against Keywest Financial LLC, which presumably would be entered if the Keywest bankruptcy is dismissed. Continuance for this possibility also seems appropriate.

As set forth in the declaration of Adam Grossman, which accompanies this reply, investors are demanding that the fund's tax returns be completed and filed so that they can receive their K-1s. Significantly, the Trustee has rejected preparing those tax returns. See Exhibit 3, Declaration of Adam Grossman. Terrington Davies, LLC has no assets and merely the cost and liability of preparing the tax returns. The trustee has therefore taken the position that Terrington Davies LLC is an entity in which the estate has no interest. See Exhibit 3, declaration of Adam Grossman. Adam Grossman would not prepare the tax returns, he is not a tax accountant. If the motion is granted he would have the accounting firm of Peterson Sullivan prepare the tax returns.

There will be claims made against the bankruptcy estate by various investors. There is no reason for the trustee to be "highly concerned" about these investor claims. Rather, the trustee should assist this process so that customer property is returned to its rightful owner. This is the right thing to do. The claims of investors are in large part the reason for the recent stockbroker motion filed by the Debtor. Filing of the tax returns will not affect these claims. They will be filed regardless of whether the tax returns are prepared. Rather the tax returns need to be prepared in order to allow the investors to complete their 2010 tax returns. In addition, the Debtor believes it will be assistance for the court to evaluate the various investor claims with actual K-1 tax returns.

Wherefore, Debtor respectfully requests that the present motion be continued pending a resolution of the Keywest Financial LLC bankruptcy.

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Dated this 17th day of January, 2012.

/s/ Jeffrey B. Wells
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